# The Emerging Society



*Field Marshal Mohammad Ayub Khan*
*President of Pakistan*

Pak / Reform

*"The vast reforms and innovations that are taking place, or will take place, are no experimental gropings in the dark. They are fully calculated and carefully planned strings in the network of an overall objective to try and help society to get over the weaknesses and vices of its history, to come out of the stupor of its stagnant past and start preparing itself for onward march towards its appointed destiny."*

President Mohammad Ayub Khan.
*August 13, 1960.*

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## FOREWORD

With the coming of the Constitution we would have covered a significant transition in our history. A number of reforms have been introduced in the past three years which would, in a way, provide a bridge between the old and the new structure of society.

While the introduction and the implementation of these reforms have been characterized by the Government's sensitivity to public opinion, it appears desirable on the advent of the Constitution, that the public be placed fully in the picture about the philosophy underlying these measures, and given an overall view of the pattern that is emerging. This would help in a better appreciation of the problems and the thinking which has prompted the formulation of policies during this period.

With this end in view, the Bureau called for the relevant data from all the organs of Government, particularly those which have been responsible for reforms in the socio-economic sphere. I am grateful to the Ministries and the Provincial Governments for the prompt supply of data, and to Mr. Saeed Ahmad Qureshi, C.S.P., for his work in preparing this material for publication. I hope the readers would find this effort worthwhile.

S. H. Raza.

*Rawalpindi, May 1962.*

## CONTENTS

## CHAPTER I

# TOWARDS ORDER AND STABILITY

History is opening before our nation a chapter of momentous import—a chapter which spells out new challenges and opportunities. That a constitution will now replace the Martial Law is, in itself, a testimony of the distance the country has travelled on the road to recovery. While we stand on the threshold of this era, the time seems propitious to do some stock-taking, of what has been achieved in the past three years, how far we have been able to eradicate the ills and evils that we face, and what remains to be done in future.

A short historical while ago, our State was carved out of a sub-continent whose past carries indelible marks of the Muslim rule and yet whose Muslims had, in these few hundred years, seldom acted as a cohesive force. This lack of cohesion had its roots in the general tolerance of Islam towards other faiths. As long as the ultimate political power remained in Muslim hands it presented no serious problems; but with the coming of the British the shape of things began to change. The centre of power was shifted towards those people who had no particular desire to see the Muslims evolve their own way of life, to live with respect and dignity,

or to be able to play a decisive role in the shaping of their destiny.

Once this fact was recognised by the general mass of Indian Muslims, partition became inevitable. The tremendous speed and vigour with which the Pakistan Movement caught the imagination of the Indian Muslims had all the characteristics of a revolution. Quaid-i-Azam who was in vanguard commanded universal and absolute loyalty. On the ideological front, all attention was concentrated on the prime objective of *Muslim* Independence. Under these circumstances two major prerequisites of statehood—the growth of a broad base for leadership and the formulation of State philosophy—receded into the background. At her birth, the new State was faced with the problem of sheer survival. Once more, attention had to be diverted to the immediate issues.

To some extent the problem is common to most countries emerging from a colonial past. Independence movements based on the sole objective of self-government and characterised by an emotional undercurrent tend to show a certain loss of momentum and direction once independence is achieved. But if, in the succeeding period, power continues to vest in devoted leadership *for sometime*, the conditions are opportune for the creation of a stable government and the formulation of a coherent programme for social, political and economic development of the fledgling State. The loss of the Founding Father soon after the birth of Pakistan and the assassination of Mr. Liaquat Ali Khan later, left a gap in leadership in this crucial period in our history when the people, pre-occupied with the challenge to their existence, had not been able to judge adequately the worth of the lesser leaders.

The problems that faced the new State at the time of her emergence were legion. Millions of refugees were pouring in everyday. A substantial portion of the commercial and professional know-how migrated to India. The economy was dependent to a considerable degree on areas falling to the lot of the next-door neighbour who had not reconciled herself to the idea of partition. Finances were inadequate. At one time the treasury did not have enough money to pay the monthly salaries of government employees. Under such conditions a government had somehow to be improvised and the country given the semblance of viability. Were it not for the inner vitality and the resilience of the people, we would have been swept out of existence long ago. In fact the way Pakistan overcame her teething troubles in a world to which she was a total stranger and in which she had few, if any, friends, is an inspiring record indeed. And a study of history would show that this was not the first time that Muslims have risen to meet the challenge of imminent peril.

There were difficulties of long-term nature too which have not been fully resolved to this day. There is, for instance, the problem of building up national sentiment among the people thrown together as an independent nation for the first time. There is the challenge of geographical separation between the two wings of the country. There are the problems arising out of the deep and enduring British impress on the minds of the intelligentsia which often prompts transplantation of institutions without adequate regard to local conditions. There is the cultural problem of evolving a national pattern among a people whose inspiration and traditions have often come from out-

side the present boundaries. There is the problem of waking up the intelligentsia from centuries of intellectual stagnation, in a world where the fast expanding frontiers of knowledge permit little room for original work, once the creative vigour is lost. Finally, the unjust demarcation of boundaries has created the problem of Kashmir which has been responsible for considerable dissipation of the nation's energy and resources.

As if these problems were not enough, the leadership which emerged after the Quaid-i-Azam added problems of its own making. At the time of Revolution, the country presented a picture of intrigue in high places, a callous disregard of national interest, exploitation of human misery, a demoralized civil service, deep-rooted and wide-spread corruption, a deteriorating economy, and declining international prestige. In this state of affairs a shake up was morally necessary. To stop the rot, to impose a sense of order, discipline and sanity was the task to which the Revolution had first to address itself. Measures were taken against corrupt and anti-social elements. Smugglers and black-marketeers were brought to book. Tax evasion was curbed. Efficiency and discipline were restored to the services. Certain measures had to be taken against some of the political adventurers. These measures were not as harsh as retribution would have warranted. And the decision to treat them leniently was deliberate. Because, it was better to leave everything to the ultimate judgment of the people, and also to avoid turning the spotlight on personalities which often has the peculiar consequence of creating martyrs out of mischief-mongers and heroes out of villains.

But the Revolution was meant not only to clear up the mess but also to set up conditions and institutions which would place the country on a more stable footing and prevent the repetition of the grim story. With this end in view, a number of reforms have been introduced in the past three years. The pattern which emerges from these reforms has been analysed in the succeeding chapters.

CHAPTER II

# STRENGTHENING THE BASE

**The Arduous Transition.**

As an infant nation emerging out of the stranglehold of imperialism, Pakistan faces a multitude of problems each inter-twined with the other. The development of a society ridden by centuries of economic and intellectual stagnation, the growth of a cultural pattern rooted in our traditions and responsive to the needs of our ideology and the establishment of political and social institutions which are consistent with these ideals and can stand up to the pressures of the nuclear age are tasks of immense magnitude. But the challenge has to be accepted because it is the challenge of the survival.

With the spread of education, improvement in the standard of living and crystallisation of our political and social ethos in the context of contemporary challenge, these objectives would no doubt be realised in time but we, who have been called upon to share the burden of this long arduous transition, have special responsibilities. We must lay the institutional base on which a steady future growth could be sustained. We must build up the environment for growth of dynamic leadership. We must strive for a system firmly anchored in our ideology to avoid

disruption and chaos. And we must ensure an effective government to carry us over the strains and stresses of transition.

**Basic Democracies.**

The first distinct step, taken by the Regime, towards providing a solid base for future growth was the introduction of Basic Democracies. In West Pakistan this instituted an entirely new system while in East Pakistan it was a remarkable improvement on the older structure of local government which was, un-coordinated, isolated from the business of decision-making, divorced from the sphere of political interest, with a haphazard, scattered list of subject and without any financial or administrative backing to be able to make a worth-while contribution to the nation's progress.

The picture is entirely different now. The confidence of the common people has been rehabilitated by participation in the administration of the country. Great care is being taken to see that these institutions like their predecessors do not languish through neglect by government. The leaders are taking a keen interest. The President himself attended a number of Basic Democracies conventions and good many informal meetings. Unlike Union Boards which were not represented at higher levels of policy-making, Basic Democrats are represented throughout the hierarchy and their voice is effective. Adequate financial powers have been given to these councils and they have been associated with a wide range of governmental functions.

The wide gulf between the administration and the local leadership, a legacy of imperialism, is now being steadily closed. For the first time the bureaucrat is obliged to hold consultation with the people's repre-

sentatives. With the growing decentralisation of administration, power and responsibilities, these councils are bound to occupy an important position in the life of the nation. Such a transformation in the administrative field would bring about a new upsurge of creative activity in the country and foster the growth of the necessary political infra-structure for the development of a free and healthy society.

**Islamic Ideology.**

The second step to augment the base is the persistent offort to project Islam as a progressive religion suited to the requirement of the modern age—capable of suggesting answers to the problems of the modern man and essential to the balanced growth of society. Because, a society divorced from ideology would lack the sense of direction and a life devoted exclusively to the pursuit of material welfare is empty.

A realisation is now growing that Islam's role in society cannot be confined to the mosque and *madrasah* but must permeate the whole life of the nation. The tendency among the orthodox elements to refuse to grant that human society could have changed in thirteen hundred years and the attitude of the intelligentsia that progress implies total rejection of heritage, are giving way to a balanced approach and an intelligent awareness which would neither blindly accept nor blindly reject.

**Auqaf.**

As a first step towards this goal the Government worked out a programme for improving management of Waqf property and using some of the surplus incomes from these charitable endowments for the advancement of religious education.

**Propagation of Islam.**

A committee has been appointed to recommend improved syllabi for the existing *Dar-ul-ulooms* and Arabic *Madrasahs*. New academies for religious

education have been established in Quetta and Dacca. Conferences for exchange of ideas between the *Ulema* and the liberal scholars have been organised. Religion has been made a compulsory part of the curriculum in all schools. Thus religious education would not be confined to theology. Its vital aspect would be the emphasis on the basic principles of tolerance, self-sacrifice and social service advocated by Islam.

**Education—The Changing Pattern.**

The third step towards building up a stable base was a complete overhauling of the educational system, for political, economic and social development of any country depends in the final analysis upon the human material which it can muster to face the challenge of times.

**Education under the Alien Rule.**

The system which we inherited at Independence had been set up to meet the requirements of a colonial administration. It was designed to provide employment opportunities mainly at the clerical and subordinate levels in an administration manned at the top largely by foreigners. The range of educational opportunities and the low priority assigned to original work, coupled with the low pay and status of the teaching profession, produced a sterile academic environment characterised by indiscipline amongst the students and indifference and irresponsibility amongst the teachers.

In retrospect one can see the peculiar degradation which occurred when the pursuit of knowledge was no longer an end in itself, but merely a passport for employment. In such a system, originality is at a discount and the accent inevitably shifts to learning by rote. Examinations, instead of providing an index to intellectual ability, become mere performances in memorising. Teachers and books are

accepted unquestioningly. The analytical capacity atrophies, and one witnesses the pathetic spectacle of people's intelligence chained for life to a limited number of borrowed ideas.

**Today's Challenge.**

Today our needs are different. Education is both a means of human development and an investment for economic growth. At the base, we need widespread literacy so that the average citizen is reasonably well-informed and can form a body of public opinion by taking an interest in national affairs; for without this, democracy cannot function effectively. At the top, we need people with imagination, initiative and enterprise, a sense of patriotism and public service. For economic development we need people who can man the expanding technical jobs and accelerate technological and scientific progress.

These needs have been fully recognised by the new system. A long range programme to ensure universal literacy by 1970, has been worked out. The technical bias has increased. The technical institutions are expanding rapidly to cater for economic growth. In the sphere of higher education special emphasis is being placed on developing qualities of mind and character.

As a part of this emphasis on quality, admission at the university level would be restricted to the brighter students. Secondly, the accent has been shifted from excessive lecturing by teachers and unintelligent memorising by students to teaching as a more inspiring process; teaching with much more give-and-take between the student and the teacher. Group work has been given a special importance to inculcate the spirit or discipline and social service. Seminars and tutorials have been increased to foster growth of

personality. Thirdly, it has been provided that Arts' Students take a paper in General Science and Science students would take a paper in Civilization and Culture.

The pursuit of quality is an integral part of all the changes which have been made. This has inevitably made higher education more expensive. To make sure that this does not affect the poor students, a programme of scholarships to cover the expenses of able but needy children at the secondary school and university level has been initiated.

The progress in the implementation of these reforms is satisfactory and we can be confident that the new approach to education, would amply contribute towards a happier and fuller life for the citizens of this country.

**The Constitution.**

While the environment for growth of future leadership would be provided by the new educational system, the institutional framework within which this leadership could operate meaningfully and effectively would be furnished by the Constitution.

The previous Constitution had been drawn up in ignorance of the springs of its success in Britain and some other European countries. It had not been appreciated that the success of this sensitive system in England depended on a vast complex of various social and political factors which do not, as yet, obtain in this country. Among these factors the important ones include a highly literate and politically oriented population, a vigilant and vocal press, the growth of a two-party system which is largely an accident of history, the sensitivity of the leadership to public opinion, the special ability of the British to adapt and compromise, the slow evolution of the institutions which helped them take a firm root in social behavi-

our, and the deep regard for that unwritten code embodied in precedents and usages collectively called the conventions of the constitution.

The Constitution Commission has gone into details, why the parliamentary system could not be worked in this country. It came to the conclusion that "we shall be running a grave risk in adopting the parliamentary form either in its purity or with modification and we do not think we can afford to take such a risk at the present stage."

The Presidential system which has been adopted under the new Constitution would provide an effective government necessary for the rapid implementation of various reforms. It would foster the concept of unity by giving executive authority to one individual with a mandate from the entire nation. As the legislature will not be directly involved in executive functions, parties will not be formed merely for the sake of keeping individuals in the saddle. This will help political growth on the right lines. Finally, the effective leadership of the President would be able to deliver the goods in the field of economic growth—a task of stupendous magnitude and vital to our free existence.

The Constitution provides the frame-work for a system which is easier to work, which is more akin to our genius and history, which is effective in its results, which is consistent with strong and stable government and yet leaves the ultimate decision in the hands of the people. Given a chance, the system is likely to provide the greatest common ground between stability and democracy. And it is only such a blend of stability and democracy that can ensure steady growth for the emerging societies.

## CHAPTER III

# A BETTER SOCIAL ORDER

Centuries of monarchic rule followed by the firm grip of an alien power has left its scars on the personality of our common citizen. The indelible image of the government as an authority imposed from the above has curbed initiative and confidence, and given rise to fatalism.

An effective answer to this would depend on the success of long-range measures on the economic, political and educational fronts. With a discernible rise in the standards of living, with the widening of the mental horizons and the constant use of the vote to invest and divest powers and responsibilities, a change is bound to come. But we who live in the formative stage cannot merely sit back in isolation and watch the slow unfolding of the new social, economic and political pattern. It is our responsibility to see that the process of building up the common man is aided and accelerated.

**The Two-pronged Attack.**

A study of the various reforms introduced in the past three years reveals that a two-pronged attack has been launched on this problem. In the first place, special support has been provided to that segment of the population which, if left to the normal political and

economic forces, would take long to find its proper place in society. Secondly, concrete steps have been taken to create a new image of leadership in the rural society which represents eighty-seven per cent of our entire population.

**Resettlement of Refugees.**

The first problem which had to be tackled in this behalf was the settlement of a large number of destitute refugees concentrated in large cities and towns without any shelter. These refugees who were a direct product of Partition were still struggling to find some permanent hearth and home in the country whose birth was in no small measure the result of their own struggle. Instead of identification with or absorption into the local people, they represented in many cases a disgruntled and frustrated minority. The Government was quick to realise the need for integrating them fully into the general social and economic life of the nation, so that foundations could be laid for orderly growth of the society. Prompt and vigorous measures were taken to expedite resettlement of displaced persons. The first task was to complete the transfer of evacuee property to the refugees. The authorities were directed to finish the job quickly, with the result that the bulk of the evacuee property was disposed of during the first year of the Regime. This momentum was maintained in the subsequent period. By now ninety-two per cent of the evacuee property has been transferred to the new owners.

The most significant achievement in this field, however, was the provision of housing for thousands of 'juggi' dwellers. A survey carried out immediately after the Revolution revealed that in Karachi alone there were 1,20,000 shelterless families. In East and West Pakistan, the number of shelterless families was

estimated to be 54,000 and 1,75,000 respectively. Orders were issued to tackle this problem on emergency basis. The speed of the work can be judged from the fact that in Korangi Colony alone, 10,000 houses were constructed within a record time of 6 months. Accommodation has now been built for 20,000 families in Korangi, 7,500 families in Malir Extension Scheme, 11,000 families in East Pakistan, and 13,500 families in West Pakistan. Others have been given developed plots for building houses. The resettlement work is expected to be completed long before the end of the Second Five-Year Plan.

**Labour Welfare.**

The other section needing Government support and care is labour. The workers are not yet well-organised and the labour leadership is not mature enough to be able to ensure that they get decent working conditions and just treatment at the hands of the employers. The State has, therefore, intervened and provided support to the labour in the shape of legal and administrative safeguards.

In 1959, with the promulgation of the Industrial Disputes Ordinance, judicial machinery for settlement of industrial disputes was set on a firmer footing. In the interest of speedy settlement, representatives of the employers and the workers are associated with the industrial courts set up under this Ordinance. The courts are now constituted on a permanent basis to ensure that the standard of awards has a measure of uniformity. Representation by lawyers, which previously operated to the advange of the rich employers, has now been made subject to consent of all the parties.

One of the main causes of delay in settlement of disputes is the non-recognition of the Trade Unions.

Under the Trade Unions (Amendment) Ordinance of 1960, the employers have been placed under an obligation to recognise trade unions fulfilling the specified conditions. If they do not voluntarily recognise it, the union can approach the industrial courts who have the powers to direct recognition of the unions.

Since 1960, the Government has fixed the minimum rates of wages payable to persons employed in the coal mines. In September, 1961, the Minimum Wage Ordinance was promulgated to extend the benefit of minimum wages to other industries also.

Adequate financial safeguards for the workers in case of sickness, injury, disablement and maternity have been provided under the Employees' Insurance Ordinance promulgated in May, 1962. Funds to cover these benefits would be contributed by the employers and workers in the ratio of 2:1.

An Industrial Employees Housing Committee has been set up to examine in detail the proposal to require employers of industrial labour to construct houses for the workers. Measures for providing Provident Fund benefits to industrial and commercial workers are also under consideration.

These measures have been augmented by the reinforcement of the labour welfare staff and adoption of a vigilant labour policy to ensure prompt and vigorous implementation of the reforms. Labour directorates have been expanded and are likely to be increased further.

The sum total of these reforms is that the ordinary worker in this country feels securer and happier than many of us could have visualised in the past.

**The Rural Society.**

The base for transformation of the hitherto neglected rural society has been provided by the enforcement of the Land Reforms and the introduction of Basic Democracies.

**Land Reforms.**

Before the launching of the Revolution, the rural society in West Pakistan had suffered long from the ills and evils of feudalism. The hereditary domination of one class by another had killed initiative, reinforced feudalism and confined leadership to a few families. This was aggravated by the perpetual migration of all forward-looking elements from the village to the town, in search of better economic and social prospects. The will to look forward, the will to change, the will to grow was naturally lacking. The new reforms would, in time, change the image of leadership and establish new horizons by freeing the cultivator from feudal bondage and permitting him room to look out for leadership based on merit and talent alone.

In the present reforms, an area of 2.2 million acres has been resumed from over 5,000 owners in West Pakistan, and sold to 74,000 tenants at a fixed price of Rs. 8 per purchase index unit payable in 50 half-yearly instalments. Security of tenure has been guaranteed. To help the cultivator benefit by these reforms, substantial financial support has been provided in the form of *taccavi* loans.

In East Pakistan where reforms had been introduced earlier, their implementation has been substantially speeded up during the last three years.

**Basic Democracies.**

While the land reforms have provided the room for new leadership, the introduction of Basic Democracies has turned the attention of the Government, the administration and the social worker once more to the rural scene. The village leader, who seldom, if

ever, had access to the officialdom, has now been given an opportunity for direct participation in the decision-making. The consequent rise in his prestige and respectability has brought in a new surge of confidence and hope among our rural people, the impact of which is already visible.

CHAPTER IV

# PLANNING FOR GROWTH

**Philosophy of Development.**

All planning has to take cognizance of the social and political conditions obtaining in the country, its aims and ideals and the general pattern of its progress. In the context of these factors, every plan has to answer a number of basic questions. What, for instance, will be the mechanics for resource utilisation: the role of the State, the public corporations and the private enterprise? How do we, in Pakistan, reconcile the process of capital formation with the Islamic concept of social justice? Where do we draw the line between the requirements of social welfare and the need for investment in the development sector? When we seek foreign aid and foreign investment, how do we ensure the country's ultimate independence of foreign assistance? Again, we must know how far our economic planning reflects our thinking on the question of political and social institutions.

**Methods and Priorities.**

Depending on the answers to such questions, every plan makes its own choice of methods and priorities. In our case also decisions have been taken in the light of our aims and ideals.

**Choice of Methods.**

Due to the paucity of our resources and the complex nature of our economic problems, the Government

will have to retain the overall responsibility for the country's development. But within this framework, maximum room for growth has been provided to private enterprise.

**The Role of Private Enterprise.**

It has been realised that the expansion of the economy depends largely on the initiative and enterprise of the farmer, the worker and the entrepreneur. The Government has, therefore, tried to encourage private enterprise to take up tasks which it can discharge adequately. Only those segments, which it is unwilling or unprepared to assume, have been allotted to public agencies. The corporations which have been set up for industries—water and power development, transport, mining, etc., are intended to supplement and not substitute private enterprise. In dealing with private enterprise, the Government has endeavoured to release constructive human energies through incentive and inducement and only to inescapable degree through direction. Direct controls have been kept at the irreducible minimum, because our aim is not only economic growth but a resurgence of the creative vigour of the common man—an environment in which his personality finds the fullest possible expression.

**The Priorities.**

In determining priorities, there have been three overriding considerations which have influenced our planning.

**Regional Balance.**

The first of these is the need for regional balance which is essential for the healthy growth of a democratic society. Feelings of economic disparity between the two provinces have been a source of friction and bitterness. The new Constitution has, therefore, enunciated the principle that we must endeavour to eliminate regional differences in economic prosperity. A determined effort has been made in the past three years to

reduce the industrial lag of East Pakistan by direct public investment, and by inducement and incentives to private enterprise. The Second Five-Year Plan places special emphasis on the industrial development of this province. Within each province, the industries are being dispersed so that the growth of technical skills and benefits of industrialisation are distributed all over the country.

**The Needs of the Citizen.**

Secondly, economic development has been geared to the needs of the common citizen. In accordance with this, special emphasis has been placed on improving food production, and greater facilities are being provided to the industries which produce necessities.

**Development and Welfare.**

Thirdly, an effort has been made to strike a balance between development and welfare. This, in fact, is the most important aspect of our planning.

In countries with a centrally controlled economy, the entire resources are diverted to economic development and investments in the social services are generally limited to education and training directly necessary for economic progress. Even democratic nations have passed through stages of acute hardship in order to accelerate economic growth. In our case, while the people have been called upon to make a measure of sacrifice, the facilities for education, health, housing and other welfare measures have also been given considerable attention.

Another important aspect of this is the persistent effort of the Government to check inflation. In a developing economy which has to undertake substantial investment expenditure on long-term project, which do not yield immediate returns, some inflation is inevitable. But the Government has been able to ensure that the pressure on prices does not assume propor-

tions too harsh to the consumer. In fact during the past three years, for the first time, fiscal and monetary policies were used as a means of controlling inflation. Changes in bank rate, selection credit control, the scheme of prize bonds, income tax concessions on approved interest, encouragement of saving, are all measures to provide a core of stability to the country's economy. The overall price-level has not increased by more than 3 per cent over early 1959 level. This is no mean achievement.

The third important element in the balance between development and welfare is the accent on liberal imports. The Government has made full and judicious use of the available resources to liberalise imports in the interest of the consumer. All essential consumer goods which cannot be supplied by the local industries have been imported from abroad, on a liberal scale. The Export Bonus Scheme has provided a measure of freedom to the trade to meet the relatively less essential consumer demands within the country. The liberal import policy has had a profound impact on the economy of the country. There has not only been a substantial improvement in the availability of goods, but also a marked decline in the prices of a wide range of essential items. The increased imports have not however materially affected our foreign reserves which stood at Rs. 114.3 crores in March 1962 against only Rs. 72.6 crores in September 1958. This was ensured by a bold and imaginative policy to boost up exports.

The balance between development and welfare also extends to the distribution policies striving for egalitarianism on the one hand and production policies aiming at capital formation on the other. Inequalities of income above a certain level, in so far as they reflect

inequalities of talent are desirable within reasonable limits for the health and vigour of a democratic society. Government policy has, therefore, been to attempt *equitable* and not *equal* distribution of wealth. The worst of inequalities have been taken care of by the Land Reforms. In the other field, taxation and welfare measures are so designed as to give continuous support and sustenance for the betterment of the labourers, workers, etc.

**The Administrative Base for Economic Development.**

Having made our choices and set our priorities, the next question naturally is, how far we have been able to gear our economic and administrative system to the needs of healthy and sound economic development. This question has been given high priority by the Government.

Through an extensive programme of decentralisation and delegation of powers and a persistent effort for simplification of procedures, the stage has been set for a quicker and more effective functioning of the administration. To ensure better co-ordination and implementation, the President has personally taken charge of the Planning Commission.

To meet the expanding technical needs, the technical bias in education has been increased. To ensure maximum possible facilities for the development of industries, high-powered Facilities Boards have been set up. These will ensure implementation of the sanctioned investments and would endeavour to remove the bottlenecks wherever they occur.

Controls have been lifted from a large number of items to encourage and facilitate private enterprise. O.G.L. has been introduced for all essential raw materials and a liberal import policy has been adopted for

industrial requirements. The Export Bonus Scheme has also contributed its share in freeing the economy from bureaucratic control and given it greater freedom and flexibility.

An extensive reform of the fiscal system has been undertaken with the object of discouraging luxury consumption, providing maximum incentives for savings and investment and increasing the resources available to the public sector for development. The collection of Government revenues has improved. Tax evasion has been significantly reduced. To encourage savings further, tax concessions for savings and investments have been enlarged. The Prize Bonds Scheme has been introduced and the National Savings Certificates have been made more attractive.

Our credit policies have also been oriented towards achieving maximum growth consistent with the monetary stability. The specialised credit institutions have been reorganised and expanded. But while the credit will be expanded to meet the growing requirements of the economy, necessary precautions will be taken against the misuse of credit for speculation and hoarding.

**Budgetary and Financial Policies.**

An atmosphere of financial discipline has been revived to create confidence and to attempt a more vigilant use of resources. Prior to 1958, the Government had resorted to massive deficit financing to support the development programme leading to a menacing inflation. This Government has succeeded in bringing inflationary financing to a virtual halt and adopted a firm policy of living within the means. The balanced budget has not, however, been attained at the expense of development. Economy has been largely observed in the non-developed expenditure which is being kept to the

absolute minimum.

**The Handicaps.**

Despite the best efforts on the part of the Government, there are certain factors which are not in the short run amenable to complete control. The Government is, however, taking all possible steps to mitigate the hardship of these handicaps.

**Foreign Exchange.**

The first of these is the availability of foreign exchange. The view has been taken that a dynamic solution of the shortage of foreign exchange lies in expanding our exports rather than indiscriminately reducing the vital import supplies. The Export Bonus Scheme was specially devised to boost up exports. The number of items subject to export control has been drastically reduced. Trade agreements and commodity exchange agreements have been concluded with a very large number of countries. An Export Credit Guarantees Scheme has been introduced to provide a broad insurance-cover to the export trade and thereby reduce the risks involved. It has also been decided to grant advance licences of raw material to the industries producing export goods. Attempts are being made to obtain maximum aid from friendly countries and to use this aid efficiently and economically. Facilities, incentive and guarantees for secure and profitable investment have been provided to attract foreign capital. The growth of the economy along sound and healthy lines would, no doubt, reinforce the efforts of the Government in attracting foreign investment.

**Population Increase.**

The other problem is that our population increases at the explosive rate of 2.2 per cent per annum. The reduction in mortality rate consequent upon the improvement of health facilities has cut down the death rate while the birth rate has remained the same. This has accelerated the rate of population increase.

In other words, we are experiencing the phenomenon of the demographic gap, peculiar to most developing countries. Special emphasis has, therefore, been placed on family planning. An interim scheme for family planning with an estimated cost of Rs. 8.84 lakhs was approved by Government in 1959. This was followed by a country-wide family planning programme involving an expenditure of Rs. 30.5 million. By March, 1962, 1,573 family planning centres were established throughout the country. This work is expected to continue under the highest priority.

CHAPTER V

# THE SECOND FIVE-YEAR PLAN

The Second Five-Year Plan represents our programme of action till 1965 in moving forward towards the objective of self-sustained economic growth. The principal goals which we have set ourselves in the plan are:—

(1) An increase in national income by 24 per cent and in per capita income by 12 per cent.

(2) The attainment of self-sufficiency in food by expanding food production—at least by 21 per cent.

(3) Expanding and diversifying the industrial base: large-scale industrial production to increase by 70 per cent.

(4) To expand export earnings substantially.

(5) To create additional employment opportunities for 3.2 million persons. Labour incentive projects would be initiated and expanded to provide jobs for the growing population.

(6) To re-orientate and expand the educational system, health, housing and other welfare services.

(7) To take special measures for stepping up the

rate of investment in East Pakistan.

The total cost of the Plan would be more than Rs. 2,300 crores as against a total of Rs. 1,080 crores in the First Plan.

**Communication and Transport.**

The development of transport and communication is a prerequisite for the economic growth of a country. "A close relationship exists between the level of economic activity in a country and the volume of goods moving over its transport system. Just as important is the movement of people, communication of knowledge, and the dissemination of ideas for the growth of a well-articulated and dynamic society."

The First Five-Year Plan had already provided a substantial base for the development of transport and communications. Under the current Development Plan, a proposed investment of Rs. 405 crores will provide an improved system of roads and road transport, inland water-ways and water transport, ports and shipping. For the development and modernization of the Railways, a provision of about Rs. 96 crores has been made.

Emphasis is also being placed upon the rapid development of the postal and telecommunication network.

On the rural scene, the opening of a post office is usually a precursor to the other benefits of modernization. Over the next 3 years, another 1,500 post offices will be opened which will give a total of 12,000 in the country. Telephones which are the nerve channels of modern commerce and industry, will be increased by about 50 per cent during the same period of time. Most of the equipment required for this expansion will be produced in Pakistan at the Haripur Telephone Factory.

**Water and Power Development.**

The water and power development programme

carries the largest allocation (Rs. 439 crores) in the public sector.

By the end of the Second Five-Year Plan, power capacity would increase in the country by 40 per cent. Sizable progress towards the electrification of the rural areas would also be made.

In East Pakistan a barrage with head regulators will be built on the Teesta River. The Kushtia Unit in the Ganges-Kobodak project, which was recently completed, would make large-scale irrigation feasible. Low level pump irrigation will be extended considerably. In the northern areas, a scheme of irrigation through tube-wells will be implemented.

In West Pakistan, a major attack would be launched against the menace of waterlogging and salinity. A programme which extends over 10 years includes 26 projects which would benefit 26 million acres under the existing irrigation system. Substantial headway towards this would be made during the Plan period. The Kotri, Guddu, Taunsa, Thal, Warsak and Bolan Dam projects would be completed. Considerable progress would be made in the replacement works for the Indus Basin with the assistance of friendly countries who have been instrumental in bringing the vexatious dispute over the canal waters to an end.

**Agriculture.**

An important departure from the First Plan is the greater emphasis now being placed on agriculture. The proposed investment in agriculture and the water and power programme directly affecting agriculture amounts to about Rs. 603 crores. This is over 26 per cent of the total expenditure under the Plan.

About 2.4 million acres of land will be newly irrigated and over 7 million acres will be provided with irrigation, drainage, flood control and reclamation

facilities. The programme of constructing embankments in the coastal areas of East Pakistan would be accelerated. The work on Guddu Barrage is being speeded up to bring the land under cultivation as quickly as possible so that colonisation work may start during the current year.

Two fertilizer factories, one in each Province, with a capacity of 1,76,200 tons of urea and 1,03,000 tons of ammonium nitrate, which in terms of ammonium sulphate amounts to 5 lakh tons will go into production soon. Steps are being taken to increase the total capacity to more than a million tons of ammonium sulphate equivalent, as early as possible.

Manufacture of small agricultural implements and pumps has been started in the Wah Ordnance Factory. Sanction has also been issued for the progressive manufacture of tractors by a German Firm in collaboration with the Wah Industries. The import of tractors and spare parts has been placed on the O.G.L. This policy of encouragement would continue.

An agricultural Research Council is being established to strengthen research in the country. Seed production on Government Farms would be increased. Extension services would be expanded and streamlined.

Agricultural credit would be brought as near the farmer's door as possible through the simplification of procedures and the setting up of co-operative credit societies.

To cut through red-tape and the dispersal of responsibility which occurs in the present departmental arrangements, two Agricultural Development Corporations have been set up, one in each Province. These Corporations would arrange the procurement

and distribution of agricultural supplies such as seeds, fertilizers, implements, pesticides and plant protection equipment so that they become easily available to the cultivator. The Corporations will also take up certain selected areas for intensive development.

Experience so far with the Model Scheme involving concerted effort in selected areas of East and West Pakistan has been encouraging. This scheme will be pushed forward still more vigorously. In areas where this scheme has been in operation, there has been an increase in production of about 1/3rd in East Pakistan and 1/6th in West Pakistan.

**Fragmentation of Holdings.**

The problem of fragmentation of holdings has been given serious attention. To facilitate consolidation, an attempt is being made to reorganise agriculture on a co-operative basis.

**Food Position.**

After Independence, Pakistan gradually turned from a surplus to a deficit country and except for a few good years, the position continued to deteriorate. But now our efforts at rehabilitating this sector have produced tangible results. For the first time, in many years, it will be possible to earn, during the financial year 1961-62, more foreign exchange from export of rice than is being spent on the import of foodgrains. While the foreign exchange expenditure on import of foodgrains have been reduced from about Rs. 21 crores during 1959-60 to an estimated amount of Rs. 15.7 crores during 1961-62, the foreign exchange earnings on foodgrains are expected to increase from Rs. 4.7 crores to Rs. 17.30 crores. This increase has not been obtained at the expense of internal consumption for at the same time per capita consumption has increased to about 16 oz. per day, and the population by 9 per cent.

Together with this, the food reserves have also increased from 1,65,000 tons of rice and 2,31,000 tons of wheat during October, 1958 to 4,25,000 tons of rice and about 5 lakh tons of wheat.

**Industries.**

Due emphasis has been placed on the basic industries: 56 per cent of the investment in the Plan period would be on producer goods. By 1965, the country will begin to produce steel, and to manufacture a wide range of machinery, tools and implements. The Plan provides for a total investment of Rs. 512 crores in the industrial sector. Some of the important specific targets are:

**Industrial Targets.**

(i) Two steel mills at Chittagong and Karachi.

(ii) Cement production would be increased to 23 lakh tons.

(iii) Fertilizer production would be increased from 60,000 tons to 560 lakh tons in terms of ammonium sulphate. Further expansion in this capacity is under active consideration.

(iv) An oil refinery will be set up to process 1.5 million tons of crude oil.

(v) Production of cotton yarn will increase from 380 million lbs. to 520 million lbs.

(vi) The number of jute looms would increase from 8,050 to a minimum of 12,500. Production of jute goods would go up from 2.5 lakh tons to nearly 3.8 lakh tons per annum.

(vii) Production of white sugar will be increased from 2.25 lakh tons to 3 lakh tons per annum.

Industrial priority has been determined by the

likely increase in national income per unit of investment, the ability to earn foreign exchange, and the extent to which indigenous raw materials are utilized. Consumer goods industries which produce necessities are preferred to those which produce non-essential or luxury goods.

**Cottage Industries.**

Cottage Industries which had so far been refused their proper place in the industrial field have been given greater importance. The small entrepreneur has been provided special credit and marketing arrangements, technical assistance and industrial estates.

**East Pakistan Development.**

Under the Plan, all efforts would be made to improve East Pakistan's industrial growth. PIDC has intensified its efforts in that direction. The bifurcation of this organisation is expected to ensure greater freedom of action and a quicker implementation of projects. Apart from the fertilizer factory at Fenchauganj, the major project include peat development at Faridpur and Khulna, iron and steel mills at Chittagong, 3 more sugar mills at Jaipurhat, Kushtia and Rajshahi, and 4 new jute mills. Some of the existing jute mills would be rationalised to increase production. These measures would expand jute manufactures by about 50 per cent. This, of course, would be in addition to a large number of smaller industrial projects being undertaken.

**The Emerging Economy.**

When the plan period is over what would be the type of economy which would tend to emerge. In other words, are we moving towards a socialist or a capitalist society? From the preceding pages it would be evident that ours would be a mixed economy in which the Government, while retaining the overall responsibility for economic development would endeavour to com-

bine the virtues of social justice claimed by the socialist societies with the maximum feasible freedom of enterprise acclaimed by the Western democracies.

CHAPTER VI

# ADMINISTRATION—A NEW CONCEPT

With the coming of independence and the stresses and strains of the quickening pace of modern life, the role of Government in this country has expanded out of all recognition. From the maintenance of law and order and the collection of revenue, today it has had to accept responsibility for the development of the country's economy and the welfare of the people covering almost every aspect of their life.

The administration inherited at the time of Partition was colonial in structure and conservative in its attitudes. It was a slow moving system designed to deal with a static "native" society ruled by a corps of able foreigners. Procedures were elaborate and financial controls were tight. The officers in their endeavour to sustain the awe of authority tended to remain aloof and the gulf between the ruler and the ruled was persistent and wide.

**Democratisation.**

The first task of the Revolutionary Government was to close this gulf between the officials and the public. The Basic Democracies which ensure participation of the local people in the administration have made considerable headway in this direction. The accountability of the administration to the people

has increased. This is bound to influence the attitude of both the public and the public servant, and to impart a renewed interest to the people's representatives in the management of the nation's affairs.

Under the latest reforms, the Basic Democracies have been given great responsibilities in the field of development administration. The development plans would now begin at the grass roots level, and the Basic Democracies will be associated with their formulation as well as implementation.

Apart from this change over from bureaucratic to a democratic complexion of the administration, the emerging pattern takes into account factors which have attained pertinence in the contemporary society. With the assumption of responsibility of welfare by the Government, the expanding role of the State, and the need for accelerated momentum in a society launching forth on a wide range of reforms it was essential to ensure a greater speed in the process of decision-making and a more prompt implementation of these decisions. This has been done in more than one ways.

**Decentralisation.**

Firstly, an extensive programme of decentralisation has been undertaken. The most important step in this field would be the enforcement of the new Constitutional provisions which envisage somewhat shorter Central List, and no Concurrent List. Much of the work originally done in the Centre would now be handled at the provincial level.

Within each province, decentralisation has been effected to the maximum feasible extent. Powers have been delegated to the regional, divisional and district levels to ensure a vigorous and more effective handling of problems. Greater responsibilities have

been given to the branch offices of development and financial institutions like the State Bank, the Agriculture Development Bank, the Pakistan Industrial Credit and Investment Corporation, etc., to speed up the development of the country.

**Public Corporation.**

Secondly, to cut through the red-tape which government management of development projects involves, public corporations were set up in the spheres where it is necessary to ensure flexibility, ease of decision and an unbureaucratic momentum. PIDC which had been established before 1958 inspired a great deal of confidence. A number of corporations have since been set up in the fields of water and power development, small scale and cottage industries, agriculture and forest development, etc. These corporations enjoy a large measure of autonomy and can go ahead with their development programmes without being tied to the tight financial strings of the Government departments.

**Simplifications of Procedure.**

Finally, a continuous effort has been made to simplify procedures partly to improve the speed of work and partly to mitigate harassment to the public.

Commerce and industry being the single most important sector in economic development, procedures relating to these ministries have been simplified and streamlined for quick action. Import licence procedures have been completely overhauled so much so that an importer can now go to his bank and obtain a licence within 24 hours. The entire licensing for commercial imports is completed within the first 30 days of the shipping period and the industrial licensing within the first 60 days. A large number of items have been placed on the O.G.L. to facilitate private economy and encourage rapid expansion. In respect of essential raw materials the facility of automatic

licensing has been assured. This means that as soon as one licence has been utilized by an importer he can go to his bank and ask for another licence to be issued to him.

The Export Bonus Scheme has also contributed its share in freeing the economy from bureaucratic control and giving it greater flexibility and resilience.

**A New Emphasis on Training.**

With a view to ensuring fruitful exchange of ideas and experience and to stimulate thinking on administrative problems, the existing training facilities in the country have been supplemented by the setting up of Pakistan Administrative Staff College at Lahore and the National Institute of Public Administration at Lahore, Dacca and Karachi. This would serve a useful purpose in an administration which is fast expanding and becoming increasingly complex. Secondly, the opportunity has been given by these institutions to people from all walks of life—administrators, technicians, business executives, specialists, journalists etc. to get together and discuss common problems, which will bridge the gulf between the officials and the non-officials. Thirdly, great emphasis has been laid on research, in all these institutions. These measures would encourage a professional approach to public administration and business problems.

It would thus be seen that in the past few years, an entirely new concept of administration is emerging. There is increased participation by the public representatives, increased sensitivity of the administration to democratic pressures, increased speed and vigour to meet the needs of an expanding economy and an entirely new atmosphere of mutual trust between public and the officials, between officers and subordinates. These structural changes would in

time shake off the chronic colonial bias in the administration inherited at the time of Independence.

## CHAPTER VII

# THE EMERGING SOCIETY

The tone and tenor of the emerging society, in so far as it is indicated by the reforms undertaken in the past three years, has been illustrated in the preceding pages. In ali the multiplicity of these efforts for national progress and welfare, there are three factors which stand out in prominence.

In the first place, there is the endeavour to overcome the back-log of centuries of neglect and stagnation. The task is stupendous and has to be tackled on many fronts. The most important of these is the need to pull the nation out of poverty, squalor and misery—in other words, the problem of economic development. The second major task is the eradication of ignorance, the removal of illiteracy. The third task is a psychological one. Centuries of monarchic and imperialist strangle-hold have sapped initiative, imagination and enterprise. It would be essential to impart a renewed confidence to the people through closer association between the administration and the representatives of the people. Lastly, there is the vital necessity for providing a moral and spiritful base for the nation's growth—the need to re-discover those fundamentals of Islam which would help us evolve a

harmonious synthesis of material and spiritual life and stand up to the pressures of the sputnik age. Only a concerted effort to fight the battle on all these fronts, can help us 'get over the weaknesses and vices of our history'. That a concerted effort has, in fact, been made, should now be visible—even to those who assert that "Revolutions" concentrate on actions in the category of running the trains in time.

Secondly, within the general frame-work of society there is an attempt to re-define the social scale. Those segments of population which, in a free society, would take too long to find an appropriate level, have been given special support in the shape of legal and administrative safeguards. The employers have been required to give increasing amenities to the labourers. The tenants have been guaranteed the security of tenure. The domination of the landlords in the rural society has been ended. The villages which had so far been a mere hinterland for the urban areas, and were denuded of leadership on account of the constant flow of intelligentsia to the towns and cities, are getting attention again. If the Government did not intervene, the differences and distinctions between the classes and regions would keep on multiplying, and hamper the orderly growth of our society.

Thirdly, there is the attempt to build up the environment for growth of qualities of leadership in the individual. To this end the educational structure has been completely reoriented. On the economic front, enough room has been provided for the development of free enterprise. Individuals with initiative and imagination are likely to flourish. This would also sustain the growth of a stable middle-class and thereby provide a solid base for the development of leader-

ship.

It would be a delicate job to maintain the right balance in the growth of these factors because the prerequisites of their development are not necessarily identical. To sustain an orderly development of, and overall balance between, them, we need institutional arrangements for a strong and stable government and for an effective leadership in the political field. This would be provided by the Constitution which is, in the words of the President, a blending of democracy with discipline.

It is not often that the need for an effective form of democratic government is realised in the emerging nations. It is easy to draw an antithesis between good government and self-government but perhaps not so easy to visualise the strains that face the developing countries—strains of over-population and grinding poverty, strains of the impact of advanced countries, strains of democratic pressure and growing articulation of masses. These countries cannot sustain self-government unless it has the virtues of "good government" also. If they have no institutional arrangements to ensure effective leadership within the corner-stones of democracy, the future of democracy itself would by no means be on a sure footing. Because the chaos which inefficient governments would bring in their wake would pave the way for internal strife and dissension or open the door for military dictatorship.

The Constitution while it leaves the choice of leadership to the nation, ensures that those entrusted with the task of Government are effective. Only thus can we sustain the reforms which have been introduced in the past three years—reforms which hit power-

ful vested interests—and only thus can we stir the nation out of 'the stupor of its stagnant past'. The base for the completion of that process has been laid in these recent years. It is upto the people to lend it spirit and substance, to give it meaning and significance, for, in a democratic society, it is with them that the ultimate responsibility for reform and reconstruction lies.

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